

Representative Bob Herron

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House District 37
Kuskokwim Bay • Western Bristol Bay • Alaska Peninsula
Aleutian Chain • Bering Sea Islands • Bethel

Adak
Akutan
Atka
Attu Station
Bethel
Chignik
Chignik Lagoon
Chignik Lake
Clark's Point
Cold Bay
Eek
Egegik
False Pass
Goodnews Bay
Ivanof Bay
King Cove
Mekoryuk
Nelson Lagoon
Nikolski
Perryville
Pilot Point
Platinum
Port Heiden
Portage Creek
Quinhagak
Sand Point
St. George
St. Paul
Togiak
Twin Hills
Ugashik
Unalaska

Changes to be Considered to HB 288

Section 7, 44.88.810

- Page 4, lines 17-22: The transfer of assets between the three funds (Revolving fund, SETS, and AIDF)
 - Line 18: "...the fund by the authority[,] **from any other fund controlled by the authority, and...**"
 - This allows AIDEA to manage money between various funds that it controls. AIDEA currently has this authority under regulations adopted by the Authority, this change makes it explicit. It also allows the AIDF to be effective without immediate capitalization.

44.88.830 (b) (1)

- Page 5, Line 23: Application process
 - "A[n application] process for requesting financing under this section;"
 - This reduces the encumbrance of an application being filled out, but the due diligence on the applicant and the project remain unchanged.

44.88.840 (b)

- Page 6, Line 4: Projected life of the Arctic Infrastructure Development
 - "Financing under AS 44.88.830 is limited to the projected life of the Arctic infrastructure development, which may not be more than **40** [30] years."
 - Infrastructure often has a 40year life span. This also allows AIDEA to amortize the financing over a longer time, which will reduce annual outlays from the project while still maximizing the return, via interest paid on the debt, to AIDEA and ultimately the state.

Section 8, 44.88.900 (19) (A)

- Page 6, Line 13-17: the definition of "Arctic Infrastructure Development"
 - "Arctic Infrastructure Development" means the construction, improvement, rehabilitation, or expansion in the **state of Alaska that that furthers the development** [Arctic] of a port, road, energy project, hangar, or facility to aid in development or meet emergency response needs in the Arctic."
 - This change would ensure that other projects in the state that support Arctic infrastructure development are captured in the eligibility for this fund. Example:
 - The build out of Ketchikan's Ship yard to accommodate the building of an ice breaker.
 - The expansion of the Seward Harbor that could be used for over-wintering of off-shore drill rigs bound for the Arctic.
 - The expansion of AVTEC in Seward and the use of the Ice Navigation Simulator.

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Changes to be Considered to HB 288 (continued)

Section 8, 44.88.900 (19) (B)

- Page 6, Line 18-21: the definition of “Arctic Infrastructure Development”
 - “Arctic Infrastructure Development” means the purchase or repair of a fishing vessel, or the purchase of quota shares or individual fishing quota used in a federally managed fishery in the Arctic, or the construction, improvement, rehabilitation, or expansion of a plant, facility, or equipment used in a state-managed fishery in the Arctic”
 - This change would authorize AIDEA to finance Alaska Fisheries infrastructure.
 - The ability for AIDEA to finance would maximize Alaska value through local ownership by financing Alaska fisheries at rates similar to other resource asset classes.